

Introduced by Senator Corbett

February 23, 2007

An act to amend Section 19195 of the Revenue and Taxation Code, relating to tax administration.

LEGISLATIVE COUNSEL'S DIGEST

SB 810, as introduced, Corbett. Tax administration: Franchise Tax Board: public disclosure of tax delinquencies.

The Personal Income Tax Law and the Corporation Tax Law authorize the Franchise Tax Board to administer and collect taxes imposed by those laws and require the Franchise Tax Board to make publicly available each calendar year a list of the 250 largest tax delinquencies in excess of \$100,000, as specified. Existing law requires the Franchise Tax Board, prior to placing a person's name on the list, to provide written notice to that person, as specified.

This bill would make nonsubstantive, technical changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19195 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 19195. (a) (1) Notwithstanding any other provision of law,
- 4 including Section 6254.21 of the Government Code, the Franchise
- 5 Tax Board shall make available, as a matter of public record, each
- 6 calendar year a list of the 250 largest tax delinquencies *that are* in
- 7 excess of one hundred thousand dollars (\$100,000) under Part 10

1 and Part 11 of this division, as of December 31 of the preceding
2 year. For

3 (2) For purposes of compiling the list, a tax delinquency means
4 the total amount owed by a taxpayer to the State of California for
5 which a notice of state tax lien has been recorded in any county
6 recorder's office in this state, pursuant to Chapter 14 (commencing
7 with Section 7150) of Division 7 of Title 1 of the Government
8 Code.

9 (b) For purposes of the list, a tax delinquency does not include
10 any of the following and may not be included on the list:

11 (1) A delinquency for which payment arrangements have been
12 agreed to by both the taxpayer and the Franchise Tax Board and
13 the taxpayer is in compliance with the arrangement.

14 (2) A delinquency for which the taxpayer has filed for
15 bankruptcy protection pursuant to Title 11 of the United States
16 Code.

17 (3) A delinquency for which the person or persons liable for the
18 tax have contacted the Franchise Tax Board and for which
19 resolution of the tax delinquency has not been rejected by the
20 Franchise Tax Board.

21 (c) Each annual list shall, with respect to each delinquency,
22 include all the following:

23 (1) The name of the person or persons liable for payment of the
24 tax and that person's or persons' address.

25 (2) The amount of tax delinquency, as shown on the notice or
26 notices of state tax lien and any applicable interest or penalties,
27 less any amounts paid.

28 (3) The earliest date that a notice of state tax lien was filed.

29 (4) The type of tax that is delinquent.

30 (d) Prior to making a tax delinquency a matter of public record,
31 as required by this section, the Franchise Tax Board shall provide
32 a preliminary written notice to the person or persons liable for the
33 tax by certified mail, return receipt requested. If within 30 days
34 after issuance of the notice, the person or persons do not remit the
35 amount due or make arrangements with the Franchise Tax Board
36 for payment of the amount due, the tax delinquency shall be
37 included on the list.

38 (e) The annual list described in subdivision (a) shall include the
39 following:

1 (1) The telephone number and address of the Franchise Tax
2 Board office to contact if a person believes placement of his or
3 her name on the list is in error.

4 (2) The aggregate number of persons that have appeared on the
5 list who have satisfied their delinquencies in their entirety and the
6 dollar amounts, in the aggregate, that have been paid attributable
7 to those delinquencies.

8 (f) As promptly as feasible, but no later than five business days
9 from the occurrence of any of the following, the Franchise Tax
10 Board shall remove that taxpayer's name from the list of tax
11 delinquencies:

12 (1) Tax delinquencies for which the person liable for the tax
13 has contacted the Franchise Tax Board and resolution of the
14 delinquency has been arranged.

15 (2) Tax delinquencies for which the Franchise Tax Board has
16 verified that an active bankruptcy proceeding has been initiated.

17 (3) Tax delinquencies for which the Franchise Tax Board has
18 verified that a bankruptcy proceeding has been completed and
19 there are no assets available with which to pay the delinquent
20 amount or amounts.

21 (4) Tax delinquencies that the Franchise Tax Board has
22 determined to be uncollectible.

23 (g) A person whose delinquency appears on the annual list, and
24 who satisfies that delinquency in whole or in part, may request the
25 Franchise Tax Board to include in its annual list any payments that
26 person made to satisfy the delinquency. Upon receipt of that
27 request, the Franchise Tax Board shall include those payments on
28 the list as promptly as feasible.

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